

ATTORNEYS AND COUNSELLORS AT LAW
SAGOT, JENNINGS & SIGMOND
THE PENN. MUTUAL TOWERS, 16TH FLOOR
510 WALNUT STREET
INDEPENDENCE SQUARE
PHILADELPHIA, PA 19106-3683

THOMAS W. JENNINGS
RICHARD B. SIGMOND*
JACK B. KATZ
SANFORD G. ROSENTHAL
STUART I. PHILLIPS*
SUSAN A. MURRAY*
STEPHEN J. HOLROYD*
LINDA S. FOSSI*
PAUL J. STACOM*
BETH N. FORMAN*
LANE FOSTER KELMAN*

NEIL SAGOT
KENT CPREK
ERIC G. MARTTILA
RICHARD C. MCNEILL, JR.*
JONATHAN KRINICK
MAGDELINE D. COLEMAN
JENNIFER B. LIEBMAN*
DAVID G. PASCUCCI
ILANA BERMAN FELDMAN*
LAURA M. BROOKE*
CHRISTI CRESSMAN KRAUTZEL*

(215) 922-6700

FAX (215) 922-3524

MY PRIVATE NUMBER IS:

(215)351-0611

September 14, 1999

NEW JERSEY OFFICE
ASHLAND OFFICE CENTER
1 ALPHA AVENUE-SUITE 33
VOORHEES, NJ 08043-1054
(856) 427-0465
FAX (856) 427-9285

COUNSEL TO THE FIRM:
GARY M. LIGHTMAN
2705 N. FRONT STREET
HARRISBURG, PA 17110-1221
(717) 234-0111
FAX (717) 234-8964

EDWARD DAVIS 1893-1987
M. H. GOLDSTEIN 1904-1971

* ALSO NJ BAR
° ALSO DC BAR
▲ ALSO NY BAR
† MANAGING ATTORNEY NJ OFFICE

Gerald J. Diviny
Steamfitters Local 420 Benefit Funds
7700 Lindbergh Blvd.
Philadelphia, PA 19153

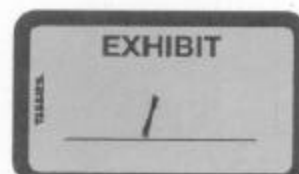
RE: United Mechanical Contractors

Dear Jerry:

In connection with the settlement of this Company's delinquency to the Funds and the default on the prior settlement agreement, I enclose the following:

- (a) Letter agreement dated September 7, 1999 together with a payment schedule setting forth the terms of the new settlement. Please note this settlement incorporates the unpaid balance from the prior settlement. By copy of this letter to GEMGroup, I am advising them of this fact and request that they make appropriate adjustments to the delinquency report and payment schedule report.
- (b) Check #16276 in the amount of \$1,400 representing payment of the installment due on August 4, 1999.
- (c) Remittance report for April 1999 (Code "00") together with a check in the amount of \$2,647.17 (check #16277).
- (d) Remittance report for May 1999 (Code "09") together with a check in the amount of \$2274.68 (check #16278).
- (e) Remittance report for June 1999 (Code "09") together with a check in the amount of \$2,135.98 (check #16279).

36154.1



Gerald J. Diviny
 September 14, 1999
 Page 2

After processing these reports and payments, any remaining "No Report Received" items noted on the delinquency report for March 1999 through and including June 1999 should be deleted. According to Mr. Marino these are the only contributions owed by United Mechanical for this period.

The total amount of the revised settlement is \$42,774.98. This includes the following:

(a)	unpaid balance on prior payment schedule	\$15,718.13
(b)	unpaid contributions for January 1998, June 1998, July 1998, September 1998 and November 1998	\$20,223.78
(c)	interest on unpaid contributions	\$2,025.57
(d)	attorney's fees and cost	\$2,000.00
(e)	liquidated damages	\$2,807.50

The settlement on liquidated damages resolves all liquidated damages assessed or assessable to the period July 1997 through and including July 1999. The total liquidated damages assessed or assessable to unpaid contributions in that period total approximately \$9,640.57. The settlement reflects payment of approximately 29% of those liquidated damages.

I have separately notified United Mechanical's counsel about the missing payments for August 10, 1999 and reminded him to remind his client that additional payments became due on December 10, 1999. I believe the August 10, 1999 payments were delayed because of the delay in completing the terms of the settlement. I anticipate that these payments will be received shortly.

As always, please feel free to call me with any questions about this matter or the terms of the settlement.

Sincerely,


 SANFORD G. ROSENTHAL

SGR/tkl
 stf420.17757.c.quality/united
 Enclosures
 cc: James R. Bell
 Barbara Brown

LAW OFFICES
MURLAND, GOLDSTEIN & NATHAN, P.C.
ONE JENKINTOWN STATION
115 WEST AVENUE
SUITE 206

JENKINTOWN, PENNSYLVANIA 19046

ALEX J. MURLAND
ROBERT S. GOLDSTEIN*
ROBERT C. NATHAN
DANIEL J. RUCKET

TELEPHONE (215) 885-9200
FAX (215) 885-6131
E-MAIL: MRLGLD@AOL.COM

MURRAY D. LEVIN
of Counsel

*ALSO MEMBER OF NJ BAR

September 7, 1999

Sanford G. Rosenthal
Sagot, Jennings & Sigmond
The Penn Mutual Towers, 16th Floor
510 Walnut Street
Philadelphia, PA 19106-3683

**RE: United Mechanical Contractors advs. Steamfitters Local
Union No. 420 Welfare Fund, et. al.
Civil Action No. 99-1928**

Dear Sandy:

This letter will memorialize the terms of our discussions concerning settlement of the above-captioned matter. This letter amends my prior letter of August 23, 1999.

1. United Mechanical Contractors ("UMC") will submit remittance reports for March 1999 through May 1999 for its service journeymen and April, 1999, through May, 1999, for its steamfitter journeymen, within five (5) days of the execution of this agreement. To that end, find attached here to reports for April, May and June, 1999. All other reports have either been submitted or should be marked "no hours".

2. UMC will make payment of contributions, for April 1999 through June 1999 to the extent UMC had any service journeymen or steamfitter journeymen during this period, as identified on the remittance reports described above. To that end, enclosed find the following payments:

- a. 4/99 #16277 -- \$2,647.17;
- b. 5/99 #16278 -- \$2,247.68; and
- c. 6/99 #16279 -- \$2,135.98.

MURLAND, GOLDSTEIN & .THAN, P.C.
LAW OFFICES

Sanford G. Rosenthal
September 7, 1999
Page 2

3. Beginning August 1999, UMC will submit the current monthly contribution due and, with each current monthly contribution payment, will submit the oldest outstanding contribution owed;
4. Attached hereto find check # 16276, representing payment of the June 1999 and July 1999 Installments on the Note;
5. Beginning in August 1999, UMC will submit regular installment due on the Note, plus an additional Seven Hundred (\$700.00) Dollars per month to be applied to arrearages on the Note;
6. Once UMC becomes current on all loan payments it will make payment of Seven Hundred (\$700.00) Dollars per month, representing 50% of liquidated damages, interest and UMC will pay attorneys fees allegedly owed by UMC. Plaintiffs agree to waive all other liquidated damages, interest, and costs, provided UMC stays current with its monthly contributions and makes the payments hereunder as and when due.
7. The attached payment schedule summarizes UMC's obligations.
8. UMC agrees to keep current on payments of all contributions and installments on the Note;
9. Plaintiffs will withdraw the lawsuit docketed in the United States District Court for the Eastern District of Pennsylvania, No. 99-1928, without prejudice, upon the execution of this Agreement; UMC agrees that all Statutes of Limitation for claims expressly raised in No. 99-1928 are hereby tolled.
10. Nothing contained in this Agreement is or shall in any event be construed as or deemed to be an admission or concession of the merit or validity of any claims asserted against UMC by Plaintiffs.

Please contact me immediately if anything stated above is inconsistent with your understanding of the agreement. If acceptable, please execute and return the original to me.

MURLAND, GOLDSTEIN & WATHAN, P.C.
LAW OFFICES

Sanford G. Rosenthal
September 7, 1999
Page 3

Thank you for your cooperation.

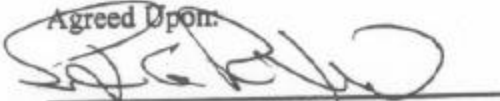
Very truly yours,



ROBERT S. GOLDSTEIN

RSG:dsp
ENCLOSURES

Agreed Upon:



Sanford G. Rosenthal, Esquire
Attorney for Plaintiffs

HUG. 3.1777 10:44AM

LAW FIRM OF SJS

NO.002

P.2

08/04/1999 Page 1

United Mechanical Payment Schedule

Compound Period Monthly

Nominal Annual Rate ... 0.000 %
 Effective Annual Rate ... 0.000 %
 Periodic Rate 0.0000 %
 Daily Rate 0.00000 %

CASH FLOW DATA

Event	Start Date	Amount	Number	Period	End Date
1 Loan	07/09/1999	42,774.98	1	-	
2 Payment	08/04/1999	1,400.00	1		
3 Payment	08/10/1999	4,448.12	1		
4 Payment	08/10/1999	1,400.00	2	Monthly	09/10/1999
5 Payment	09/10/1999	4,069.53	1		
6 Payment	10/10/1999	4,201.23	1		
7 Payment	10/10/1999	1,400.00	2	Monthly	11/10/1999
8 Payment	11/10/1999	3,977.34	1		
9 Payment	12/10/1999	3,529.56	1		
10 Payment	12/10/1999	1,400.00	8	Monthly	07/10/2000
11 Payment	08/10/2000	700.00	6	Monthly	01/10/2001
12 Payment	02/10/2001	151.20	1		

AMORTIZATION SCHEDULE - Normal Amortization

Date	Payment	Interest	Principal	Balance
Loan 07/09/1999				42,774.98
1 08/04/1999	1,400.00	0.00	1,400.00	41,374.98
2 08/10/1999	4,448.12	0.00	4,448.12	36,928.86
3 08/10/1999	1,400.00	0.00	1,400.00	35,528.86
4 09/10/1999	1,400.00	0.00	1,400.00	34,128.86
5 09/10/1999	4,069.53	0.00	4,069.53	30,059.33
6 10/10/1999	4,201.23	0.00	4,201.23	25,858.10
7 10/10/1999	1,400.00	0.00	1,400.00	24,458.10
8 11/10/1999	1,400.00	0.00	1,400.00	23,058.10
9 11/10/1999	3,977.34	0.00	3,977.34	19,080.76
10 12/10/1999	3,529.56	0.00	3,529.56	15,551.20
11 12/10/1999	1,400.00	0.00	1,400.00	14,151.20
1999 Totals	28,623.78	0.00	28,623.78	
12 01/10/2000	1,400.00	0.00	1,400.00	12,751.20
13 02/10/2000	1,400.00	0.00	1,400.00	11,351.20
14 03/10/2000	1,400.00	0.00	1,400.00	9,951.20
15 04/10/2000	1,400.00	0.00	1,400.00	8,551.20
16 05/10/2000	1,400.00	0.00	1,400.00	7,151.20
17 06/10/2000	1,400.00	0.00	1,400.00	5,751.20
18 07/10/2000	1,400.00	0.00	1,400.00	4,351.20
19 08/10/2000	700.00	0.00	700.00	3,651.20

08/04/1999 Page 2

United Mechanical Payment Schedule

Date	Payment	Interest	Principal	Balance
20 09/10/2000	700.00	0.00	700.00	2,951.20
21 10/10/2000	700.00	0.00	700.00	2,251.20
22 11/10/2000	700.00	0.00	700.00	1,551.20
23 12/10/2000	700.00	0.00	700.00	851.20
2000 Totals	13,300.00	0.00	13,300.00	
24 01/10/2001	700.00	0.00	700.00	151.20
25 02/10/2001	151.20	0.00	151.20	0.00
2001 Totals	851.20	0.00	851.20	
Grand Totals	42,774.98	0.00	42,774.98	

**STEAMFITTERS LOCAL UNIN NO. 420 WELFARE FUND, et al. v.
UNITED MECHANICAL CONTRACTORS, INC.
CIVIL ACTION NO. 02-2777**

JENNINGS SIGMOND, P.C. ATTORNEYS' FEES - SEPTEMBER 2002

Date	Attorney	Task	Time
9/4/02	SGR	Review and Revision of Motion for Default Judgment	2.0
9/4/02	CTM	Update Post-Settlement and Settlement Agreement Contribution Interest Calculations	<u>.2</u>
		TOTAL	2.2

September Summary

SGR	2.0 Hrs @\$210/Hr.	=	\$420.00
CTM	.2 Hrs @\$85/Hr.	=	<u>17.00</u>
	Total		\$437.00
(10/18/99 to 8/31/02)		=	\$2,368.67
	GRAND TOTAL		\$2,805.67



REPRINT OF BILLED DETAILS (as billed)

Bill number STF420-17757-054 RBS
 Bill date 11/08/99

Steamfitters Local Union No. 420 Funds
 Gerald J. Diviny
 7700 Lindbergh Blvd.
 Philadelphia, PA 19153

Quality Mechanical Systems, Inc.

FOR PROFESSIONAL SERVICES RENDERED

10/18/99 SGR	Letter to Attorney R. Goldstein regarding Settlement Default	.20 hrs	185	/hr	37.00
10/18/99 SGR	Phone Conference with B. Brown	.10 hrs	185	/hr	18.50
TOTAL FEES					\$ 55.50

DISBURSEMENTS

10/31/99 COPY	Photocopies				2.03
TOTAL DISBURSEMENTS					\$ 2.03

BILLING SUMMARY

TOTAL FEES	\$ 55.50
TOTAL DISBURSEMENTS	\$ 2.03
TOTAL CHARGES FOR THIS BILL	\$ 57.53

REPRINT OF BILLED DETAILS (as billed)

Bill number STF420-17757-055 RBS
 Bill date 12/08/99

Steamfitters Local Union No. 420 Funds
 Gerald J. Diviny
 7700 Lindbergh Blvd.
 Philadelphia, PA 19153

Quality Mechanical Systems, Inc.

FOR PROFESSIONAL SERVICES RENDERED

11/03/99	SGR	Phone Conference with Attorney R. Goldstein	.20 hrs	185	/hr	37.00
11/17/99	SGR	Letter to G. Diviny regarding Payments				
		Letter to Attorney R. Goldstein regarding Payment				
		Default	.40 hrs	185	/hr	74.00
TOTAL FEES						\$ 111.00

DISBURSEMENTS

TOTAL DISBURSEMENTS	\$.00
---------------------	----	-----

BILLING SUMMARY

TOTAL FEES	\$	111.00
TOTAL CHARGES FOR THIS BILL	\$	111.00

REPRINT OF BILLED DETAILS (as billed)

Bill number STF420-17757-056 RBS
 Bill date 01/10/00

Steamfitters Local Union No. 420 Funds
 Gerald J. Diviny
 7700 Lindbergh Blvd.
 Philadelphia, PA 19153

Quality Mechanical Systems, Inc.

FOR PROFESSIONAL SERVICES RENDERED

12/21/99 SGR	Review of Correspondence from M. Marino Letter to G. Diviny Letter to Attorney R. Goldstein regarding Settlement Default	.40 hrs 185 /hr	74.00
12/27/99 SGR	Review and Revision of Letter to Attorney R. Goldstein regarding Settlement Default Review of File regarding Status of Payments	.30 hrs 185 /hr	55.50
TOTAL FEES			\$ 129.50

DISBURSEMENTS

12/31/99 COPY	Photocopies	2.38
TOTAL DISBURSEMENTS		\$ 2.38

BILLING SUMMARY

TOTAL FEES	\$ 129.50
TOTAL DISBURSEMENTS	\$ 2.38
TOTAL CHARGES FOR THIS BILL	\$ 131.88

REPRINT OF BILLED DETAILS (as billed)

Bill number STF420-17757-057 RBS
 Bill date 02/10/00

Steamfitters Local Union No. 420 Funds
 Gerald J. Diviny
 7700 Lindbergh Blvd.
 Philadelphia, PA 19153

Quality Mechanical Systems, Inc.

FOR PROFESSIONAL SERVICES RENDERED

01/17/00	SGR	Review of Correspondence from M. Marino Letter to G. Diviny	.10 hrs	195	/hr	19.50
01/24/00	SGR	Review of Correspondence from M. Marino Letter to G. Diviny regarding Settlement Payments	.20 hrs	195	/hr	39.00
01/29/00	SGR	Letter to S. Ernsberger regarding Judgment Details	.20 hrs	195	/hr	39.00

TOTAL FEES						\$ 97.50

DISBURSEMENTS

01/31/00	COPY	Photocopies				.35

TOTAL DISBURSEMENTS						\$.35

BILLING SUMMARY

TOTAL FEES	\$	97.50
TOTAL DISBURSEMENTS	\$.35

TOTAL CHARGES FOR THIS BILL	\$	97.85

REPRINT OF BILLED DETAILS (as billed)

Bill number STF420-17757-074 RBS
 Bill date 06/11/01

Steamfitters Local Union No. 420 Funds
 Gerald J. Diviny
 7700 Lindbergh Blvd.
 Philadelphia, PA 19153

Quality Mechanical Systems, Inc.

FOR PROFESSIONAL SERVICES RENDERED

05/14/01 SGR	Phone Conference with G. Diviny	.10 hrs	195	/hr	19.50

TOTAL FEES				\$	19.50

DISBURSEMENTS

TOTAL DISBURSEMENTS	\$.00

BILLING SUMMARY

TOTAL FEES	\$	19.50

TOTAL CHARGES FOR THIS BILL	\$	19.50

REPRINT OF BILLED DETAILS (as billed)

Bill number STF420-17757-085 RBS
 Bill date 03/11/02

Steamfitters Local Union No. 420 Funds
 Gerald J. Diviny
 7700 Lindbergh Blvd.
 Philadelphia, PA 19153

Quality Mechanical Systems, Inc.

FOR PROFESSIONAL SERVICES RENDERED

02/01/02 SGR	Review of Documents regarding Record of Settlement Payments and Default Letter to Attorney A. Murland and M. Marino	1.50 hrs	210 /hr	315.00

TOTAL FEES				\$ 315.00

DISBURSEMENTS

02/28/02 FAX	Fax Charges			4.00

TOTAL DISBURSEMENTS				\$ 4.00

BILLING SUMMARY

TOTAL FEES	\$ 315.00
TOTAL DISBURSEMENTS	\$ 4.00

TOTAL CHARGES FOR THIS BILL	\$ 319.00

REPRINT OF BILLED DETAILS (as billed)

Bill number STF420-17757-086 RBS
 Bill date 04/08/02

Steamfitters Local Union No. 420 Funds
 Gerald J. Diviny
 7700 Lindbergh Blvd.
 Philadelphia, PA 19153

Quality Mechanical Systems, Inc.

FOR PROFESSIONAL SERVICES RENDERED

03/12/02 SGR	Review of Correspondence from Attorney A. Murland			
	Phone Conference with G. Diviny			
	Letter to Attorney A. Murland	.30 hrs	210 /hr	63.00

TOTAL FEES		\$	63.00
------------	--	----	-------

DISBURSEMENTS

TOTAL DISBURSEMENTS		\$.00
---------------------	--	----	-----

BILLING SUMMARY

TOTAL FEES		\$	63.00
------------	--	----	-------

TOTAL CHARGES FOR THIS BILL		\$	63.00
-----------------------------	--	----	-------

REPRINT OF BILLED DETAILS (as billed)

Bill number STF420-17757-087 RBS
 Bill date 05/08/02

Steamfitters Local Union No. 420 Funds
 Gerald J. Diviny
 7700 Lindbergh Blvd.
 Philadelphia, PA 19153

Quality Mechanical Systems, Inc.

FOR PROFESSIONAL SERVICES RENDERED

04/01/02	SGR	Phone Conference with G. Diviny	.10 hrs	210	/hr	21.00
04/12/02	SGR	Phone Conference with G. Diviny	.10 hrs	210	/hr	21.00
04/15/02	SGR	Memo to File	.10 hrs	210	/hr	21.00
04/15/02	SGR	Preparation of Complaint	1.00 hrs	210	/hr	210.00
04/26/02	SGR	Preparation of Complaint	.60 hrs	210	/hr	126.00
04/30/02	SGR	Preparation of Complaint Review of Documents	.70 hrs	210	/hr	147.00

TOTAL FEES						\$ 546.00

DISBURSEMENTS

TOTAL DISBURSEMENTS						\$.00
---------------------	--	--	--	--	--	--------

BILLING SUMMARY

TOTAL FEES						\$ 546.00

TOTAL CHARGES FOR THIS BILL						\$ 546.00

REPRINT OF BILLED DETAILS (as billed)

Bill number STF420-17757-088 RBS
 Bill date 06/10/02

Steamfitters Local Union No. 420 Funds
 Gerald J. Diviny
 7700 Lindbergh Blvd.
 Philadelphia, PA 19153

Quality Mechanical Systems, Inc.

FOR PROFESSIONAL SERVICES RENDERED

05/08/02 SGR	Review and Revision of Complaint	.20 hrs	210	/hr	42.00

	TOTAL FEES			\$	42.00

DISBURSEMENTS

05/31/02 SP	Service of Process				63.00
05/31/02 COPY	Photocopies				12.11
05/31/02 PO	Postage Charges				10.18

	TOTAL DISBURSEMENTS			\$	85.29

BILLING SUMMARY

TOTAL FEES	\$	42.00
TOTAL DISBURSEMENTS	\$	85.29

TOTAL CHARGES FOR THIS BILL	\$	127.29

REPRINT OF BILLED DETAILS (as billed)

Bill number STF420-17757-089 RBS
 Bill date 07/10/02

Steamfitters Local Union No. 420 Funds
 Gerald J. Diviny
 7700 Lindbergh Blvd.
 Philadelphia, PA 19153

Quality Mechanical Systems, Inc.

FOR PROFESSIONAL SERVICES RENDERED

06/26/02 SGR Memo to File regarding Default	.10 hrs	210	/hr	21.00

TOTAL FEES			\$	21.00

DISBURSEMENTS

06/01/02 FF Filing Fee - US District Court				150.00
06/30/02 CRDB Computer Research - Dun & Bradstreet				43.12

TOTAL DISBURSEMENTS			\$	193.12

BILLING SUMMARY

TOTAL FEES			\$	21.00
TOTAL DISBURSEMENTS			\$	193.12

TOTAL CHARGES FOR THIS BILL			\$	214.12

REPRINT OF BILLED DETAILS (as billed)

Bill number STF420-17757-090 RBS
 Bill date 08/09/02

Steamfitters Local Union No. 420 Funds
 Gerald J. Diviny
 7700 Lindbergh Blvd.
 Philadelphia, PA 19153

Quality Mechanical Systems, Inc.

FOR PROFESSIONAL SERVICES RENDERED

07/17/02	CTM	Preparation of Request for Default Preparation of Letter to Court regarding Filing Same	.80 hrs	85	/hr	68.00
07/18/02	CTM	Conference with S. Rosenthal regarding Default Motion	.40 hrs	85	/hr	34.00
07/18/02	SGR	Preparation of Default Motion	.70 hrs	210	/hr	147.00
07/19/02	SGR	Memo to File regarding Case Status	.20 hrs	210	/hr	42.00
07/23/02	SGR	Memo to File	.20 hrs	210	/hr	42.00
07/29/02	CTM	Review of Documents from Court	.10 hrs	85	/hr	8.50
07/31/02	CTM	Preparation of Motion for Default Judgment	2.30 hrs	85	/hr	195.50

TOTAL FEES						\$ 537.00

DISBURSEMENTS

TOTAL DISBURSEMENTS	\$.00
---------------------	--------

BILLING SUMMARY

TOTAL FEES	\$ 537.00
TOTAL CHARGES FOR THIS BILL	\$ 537.00

Sagot, Jennings & Sigmond

REPORT DATE 09/05/02

WORK IN PROCESS REPORT

PAGE 1

REPORT NUMBER JP038-048908

SORTED BY CLIENT/MATTER

PRINTED BY MHT2

BILL THROUGH RANGE 00/00/00-09/05/02

CLIENT STF420 MATTER 17757 Steamfitters Local 420 Funds Quality Mechanical Sys., Inc.
 Gerald J. Diviny
 7700 Lindbergh Blvd.
 Philadelphia, PA 19153

BILL TMKP : RBS Richard B. Sigmond

ORIG TMKP : RBS Richard B. Sigmond

DATE	TIMEKEEPER	HOURS	AMOUNT	DESCRIPTION
08/05/02	CTM	.20	17.00	Phone Conference with Fund regarding Contribution Update
08/05/02	CTM	1.50	127.50	Review of Correspondence from Fund Calculate Interest, Attorneys' Fees and Liquidated Damages from Settlement Agreement Calculate Interest, Attorneys' Fees and Liquidated Damages from Post Settlement Contributions Calculate Total Amount Due Preparation of Motion for Entry of Default Judgment

TIMEKEEPER TOTALS

CTM	1.70	85 /hr	144.50
TOTAL	1.70	\$	144.50
BILL TOTAL	\$	144.50	

LAST ACTIVE 09/04/02

LAST PAYMENT 08/30/02